

# Board of Directors' Report

## Re-election of Ms Lourdes Máiz Carro as an independent director

10 February 2020

## 1. Introduction

In accordance with Article 3 of the Regulations of the Board of Directors of Banco Bilbao Vizcaya Argentaria, S.A. (hereinafter **BBVA** or the **Bank**), and in compliance with Article 529 decies of the Spanish Corporate Enterprises Act, the Appointments and Corporate Governance Committee is responsible for proposing the re-election of members of the Bank's Board of Directors who are categorised as independent directors.

The above-mentioned article of BBVA's Regulations of the Board of Directors, in compliance with the Spanish Corporate Enterprises Act, also states that proposals by the Appointments and Corporate Governance Committee must always be accompanied by a supporting report from the Board of Directors assessing the skills, experience and merits of the proposed candidate, which will be attached to the minutes of the General Shareholders' Meeting or the Board of Directors meeting.

In order to comply with the above, the Bank's Board of Directors has prepared this report, which accompanies the proposal to re-elect Ms Lourdes Máiz Carro as a member of the Bank's Board of Directors with the status of independent director, submitted to BBVA's Annual General Shareholders' Meeting (hereinafter the **Report**).

## 2. Proposal by the Appointments and Corporate Governance Committee

In order to draw up this Report, the Board of Directors assessed the proposal of the BBVA Appointments and Corporate Governance Committee, which was drafted in accordance with Article 529 decies 4 of the Spanish Corporate Enterprises Act and Article 3 of the Regulations of the Board of Directors, following an analysis of the current structure, size and composition of the Board.

Thus, the Appointments and Corporate Governance Committee has considered that the composition of the Board of Directors brings together directors with broad experience and knowledge of the financial and banking sector with other directors who have experience and knowledge in other areas also of interest to the Bank and its Group, such as audit, risk management and control, the legal and academic field, multinational enterprise, public

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institutions, digital businesses and technology, both at the national and international level. This allows the Board, as a whole, to be appropriately composed and possess sufficient knowledge of the environment, activities, strategies and risks of the Bank and the Group, helping it to enhance its operation.

Together with this diversity of profiles and expertise, the Board and its Committees (hereinafter the **Corporate Bodies**) include directors with broad experience on the Corporate Bodies, which gives them in-depth knowledge of the Bank and its businesses at both the national and international level, and facilitates the progressive renewal process of the Corporate Bodies, which entails the inclusion of new profiles with lesser knowledge of the Bank, without affecting their proper functioning.

The Committee also considers that independent directors contribute to the suitable composition of both the Board and its Committees and, in particular, those that assist the Bank's Board of Directors in its supervision and control duties. These Committees must have a significant number of independent directors, from among which the chairs of these Committees must also be appointed.

As part of the annual assessment of the Board of Directors conducted for the 2019 financial year, and in accordance with the functions provided for in Article 5.4 of its Regulations, the Appointments and Corporate Governance Committee has analysed the current structure, size and composition of the Corporate Bodies, including the requirement for its members to have the diversity of knowledge, skills and experience needed to facilitate the proper performance of their duties.

For this analysis, the Appointments and Corporate Governance Committee, also in the development of its duties, has analysed the objectives set out in the BBVA Board of Directors selection, appointment, rotation and diversity policy (hereinafter the **Selection Policy**). This included having a balance between the different classes of directors, so that the non-executive directors represent a broad majority vis-à-vis the executive directors, as well as seeking to ensure that the independent directors represent at least 50% of the total number of directors and that, in 2020, the number of female directors represents at least 30% of the total membership of the Board.

Moreover, during the 2019 financial year, the analysis of the Appointments and Corporate Governance Committee has been supported by a "skills and diversity matrix", developed to help identify the existing skills, characteristics and experience of the Board of Directors, as well as to identify any areas that need to be strengthened in the future.

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As a result of the foregoing, the Committee considers it necessary for the Corporate Bodies to be composed of directors with appropriate skills in fields such as banking and financial services; accounting and auditing; risk management; innovation and information technology; macroeconomic strategy and environment; human resources and compensation; institutional, legal and regulatory; and corporate governance and sustainability; and with extensive training and previous professional experience, both at the national and international level.

In this context, the Committee has taken into consideration the fact that Ms Máiz Carro's three-year statutory mandate as Bank director expires during the 2020 financial year. It therefore needed to consider the suitability of her re-election to that role. Consequently, the Committee re-analysed her knowledge, skills and experience, her ability to exercise good governance, her recognised commercial and professional reputation, her status as an independent director, and the absence of any incompatibilities, prohibitions or limitations with regard to the performance of the role.

On the basis of the above and based on the current needs of the Corporate Bodies, the structure, size and composition of the Board, and the Selection Policy, the Appointments and Corporate Governance Committee considers that Ms Lourdes Máiz Carro has the appropriate knowledge, skills and experience to serve on the Board of Directors, has the ability to exercise good governance of the Bank and fulfils the remaining suitability criteria required. The Committee also believes that her re-election would contribute to the diversity of knowledge, experience and gender within the Board of Directors.

In view of the foregoing, the Committee has resolved to propose her re-election as an independent director of the Bank.

### 3. Skills, experience and merits

Prior to issuing this Report, and as set out in the aforementioned regulations, the Board of Directors assessed the skills, experience, merits and knowledge of Ms Máiz Carro on the basis of its analysis of the following profile:

Lourdes Máiz Carro holds a bachelor's degree in Law and Philosophy and Educational Sciences from Complutense University of Madrid, and a PhD in Philosophy.

She began her professional career as research staff in the Faculty of Philosophy at Complutense University of Madrid, teaching classes in Metaphysics and Theory of Knowledge, between 1982 and 1987.

In 1992, she became a State Lawyer and practised her profession in the Spanish Ministry of Public Administration, where she was appointed deputy to the Director. Subsequently, between 1993 and 2001, she held various posts in the Public Administration, namely as Director of the Cabinet of the Assistant Secretary of Public Administration, Director of the Cabinet of the Assistant Secretary of Education, Director-General of Administrative Organisation, Labour and IT positions in the Public Administration Ministry, Director-General of Sociedad Estatal de Participaciones Patrimoniales (the Spanish State Asset Ownership Corporation, SEPPA — Spanish Ministry of Economy and Finance) and Technical General Secretariat in the Spanish Ministry of Agriculture, Fisheries and Food.

Between 2001 and 2016, she served as Secretary of the Board of Directors and Director of Legal Services at Iberia, Líneas Aéreas de España.

Similarly, among other companies, Ms Máiz Carro has also been director of RENFE; Gerencia de Infraestructuras Ferroviarias (the Spanish Railway Infrastructure Administrator); Instituto de Crédito Oficial (Official Credit Institution — ICO); INISAS Compañía de Seguros y Reaseguros, S.A.; Aldeasa, Almacenaje y Distribución; and Banco Hipotecario.

In relation to her trajectory linked to the Bank's Board of Directors, it is to be noted that she was appointed on 14 March 2014, and is currently a member of the Audit Committee and the Remunerations Committee, having also been a member of the Appointments Committee; this means that she has broad knowledge of the Bank's business and activities from the different perspectives that are subject to analysis by the various Corporate Bodies.

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Attached as **Annex** to this Report is her curriculum vitae, which summarises her aforementioned experience and positions held currently and in the past.

In view of the above, the Board of Directors highly values the merits and excellent academic background and professional career of Ms Máiz Carro.

It first highlights the academic activity carried out by Ms Máiz Carro over the years, and her career in public administration, where she held top-level positions in various ministries.

In addition, her performance as Secretary of the Board of Directors and Director of Legal Services at Iberia, Líneas Aéreas de España should be highlighted.

With regard to her career linked to the Bank, the Board considers that Ms Máiz Carro's broad knowledge and experience, which has been acquired and demonstrated over the years, enables her to contribute to the proper performance of the functions of the Corporate Bodies.

Furthermore, the Board particularly appreciates the dedication and availability shown by Ms Máiz Carro to perform her duties as a member of the Board and of the various committees; as well as her knowledge and embracing of the Bank's culture and values, which also facilitates her communication with both the Group's executives who interact with the Corporate Bodies and with any newly appointed members to the Board of Directors.

In addition to the above, the re-election of Lourdes Máiz Carro as a BBVA independent director would contribute directly to achieving the objectives set out in the Selection Policy of having a number of independent directors equal to at least 50% of the total number of directors; and seeking to ensure that, in 2020, the number of female directors represents at least 30% of the total number of members of the Board of Directors, thus making headway in terms of increasing the presence of the least represented gender on the Board of Directors.

In view of the above, the Board considers that Ms Máiz Carro has the requisite skills, experience and merits to be a BBVA director, and that Ms Máiz Carro's career on the Board favours the proper development of the progressive renewal process of the Board, making her knowledge and experience available to the new directors, and conveying the Corporate Bodies' operation and their work culture.

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## 4. Conclusion

As a result of the above, taking into account the proposal issued for this purpose by the Bank's Appointments and Corporate Governance Committee, and for the purpose of proposing to the Bank's Annual General Shareholders' Meeting her re-election as a member of the Board of Directors, with the status of independent director, for the statutory period of three years, the Board of Directors considers that Ms Lourdes Máiz Carro has the necessary skills, experience and merits.

To this end, the Board of Directors issues this Report, in response to the requirements established by Article 529 decies of the Spanish Corporate Enterprises Act.

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## Annex: curriculum vitae

### Ms Lourdes Máiz Carro Director

Born in 1959

Spanish nationality

Holds degrees in Law and Philosophy and Education Sciences from the Complutense University of Madrid, and a PhD in Philosophy

Extraordinary Bachelor of Philosophy Award and Extraordinary PhD Award

#### **Professional experience:**

1982-1987 Researcher at the Faculty of Philosophy at the Complutense University of Madrid, where she taught classes in Metaphysics and Theory of Knowledge.

1992-1993 Became an Attorney for the State and practised law at the Spanish Ministry of Public Administration, where she was appointed deputy to the Director.

1993-2001 Held various positions in Public Administration in Spain: Director of the Cabinet of the Assistant Secretary of Public Administration; Director of the Cabinet of the Assistant Secretary of Education; General Director of Administrative Organisation, Personnel and IT (Ministry of Public Administration); General Director of the Sociedad Estatal de Participaciones Patrimoniales (SEPPA) within the Ministry of Economy and Finance; and Technical General Secretariat of the Ministry of Agriculture, Fisheries and Food.

2001-2016 Secretary of the Board of Directors and Director of Legal Services at Iberia, Líneas Aéreas de España.

She has been a director at several companies, including RENFE, GIF (Gerencia de Infraestructuras Ferroviarias — Railway Infrastructure Administrator, now ADIF), the ICO (Instituto de Crédito Oficial — Official Credit Institution), INISAS Compañía de Seguros y Reaseguros, S.A., Aldeasa, Almacenaje y Distribución and Banco Hipotecario.

She was appointed as a director of BBVA on 14 March 2014, position that she currently holds.